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ILLINOIS COMMERCE COMMISSION

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Application of ATMOS ENERGY)
CORPORATION, for an Order authorizing)
the issuance of up to 1,700,000 shares)
of Common Stock no par value pursuant)
to Section 6-102 in an amount not to exceed)
\$30 million)

CHIEF CLERK'S OFFICE

Docket No. 03-0170

APPLICATION FOR ISSUANCE OF SECURITIES

To the Illinois Commerce Commission:

Atmos Energy Corporation (hereinafter sometimes referred to as "Petitioner" or "Company") respectfully states as follows:

1. Atmos Energy Corporation is a corporation duly organized and existing under and by virtue of the laws of the State of Texas and the Commonwealth of Virginia, with its principal office located at 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240. It is a public utility within the meaning of the Public Utilities Act of Illinois. It is engaged in the business of distributing and selling natural gas in central and southern Illinois, at various Farm Taps in central Illinois, and in various municipalities in the States of Georgia, Tennessee, Virginia, Missouri, Mississippi, Iowa, Kansas, Texas, Louisiana, Colorado and Kentucky.

2. Petitioner is seeking the authorization pursuant to Section 6-102 of the Illinois Public Utility Act, as amended (220 ILCS 5/6-102) to issue up to 1,700,000 additional shares of no par value common stock of the company (hereinafter the "Shares"). The Shares are to be issued for the purpose of funding the company's Pension Account Plan (the "Plan") through a contribution of stock to the Plan. As a result of the decline in the United States equities market since 2000, the value of the assets held in trust for the benefit of many corporation's pension plans

has also declined. The Atmos Plan has been impacted as well. As a result, the pension liability to the Company's employees and retirees currently exceeds the value of the assets held in the Company's Master Retirement Trust (Trust) for the benefit of the Plan, meaning that for the first time in several years, Atmos will need to fund the Plan with cash or other assets prior to the Plan valuation date of June 30, 2003. Atmos intends to fund a portion of the difference through a contribution of Atmos common stock to the Plan, by directly issuing such stock to the Trust holding assets for the benefit of the Plan prior to the June 30, 2003 valuation date and in any subsequent years the Company chooses to make a contribution through the issuance of common stock. The Shares will be issued in a private placement with the Trust. At this time, Atmos cannot state with certainty the number of Shares it will issue to the Trust because ERISA limits the total value of the stock that may be issued to the Trust to 10% of the fair market value of Plan assets at the time of issuance. Therefore, the number of Shares issued will depend upon both the total value of the assets in the Plan and the price of Atmos' stock on the date of issuance. Consequently, Atmos is requesting authority to issue up to 1,700,000 Shares to the Trust.

3. The Shares will be issued without registration under the Securities Act of 1933 in reliance upon applicable exemptions from registration.

4. The issuance of the stock will increase Atmos' equity to debt ratio. This will further strengthen Atmos' financial position. Therefore, issuance of the shares, as described herein, will be beneficial to Petitioner and aid its customers.

5. Petitioner represents that it has taken, or will take, all corporate action necessary to authorize the issuance of the Shares. Attached hereto as Exhibit G is a true and correct copy of a resolution adopted on February 12, 2003 by the Board of Directors of the Company approving the issuance of the Shares.

6. Attached hereto and made a part hereof are the following exhibits:

Exhibit A - Statement of Financial Condition

Exhibit B - Balance Sheet

Exhibit C - Pro Forma Income Statement

Exhibit D - Pro Forma Balance Sheet

Exhibit E - Statement of Actual and Pro Forma Capitalization Ratios

Exhibit F - Gross Plant by State

Exhibit G - Board of Directors' Resolution

Exhibit H - Estimated Expenses

Exhibit I - Fee Calculation

Exhibit J - Testimony of Laurie Sherwood

WHEREFORE, Petitioner prays that this Commission will, after hearing, enter an appropriate order or orders:

A. Approving the issuance of up to 1,700,000 shares of the Company's common stock to the Company's Master Retirement Trust in an amount not to exceed 30 million dollars (\$30,000,000).

B. Granting to Petitioner such other, further and different relief in the premises as this Commission may deem appropriate.

Respectfully submitted this 18th day of March, 2003.

ATMOS ENERGY CORPORATION

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One of Its Attorneys

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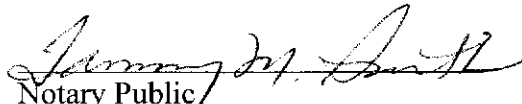
VERIFICATION

Gary A. Brown, being first duly sworn, on oath does depose and state that he has read the foregoing Application for Issuance of Securities by him subscribed, and that he has personal knowledge of all of the matters therein stated, and that the same are true in substance and in fact to the best of his knowledge, information and belief.



Gary A. Brown

Subscribed and sworn to before me this 12 day of March, 2003.



Notary Public

